DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Third Report together with the audited financial statements of your Company for the year ended on 31st March, 2017.

FINANCIAL HIGHLIGHTS (₹ in lakh)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Total Income	–	–
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	174.85	(28.28)
Less: Depreciation	0.45	–
Profit/(Loss) Before Finance Cost and Taxation	174.40	(28.28)
Less: Finance Cost	(383.39)	(104.74)
Profit/(Loss) Before Taxation	(208.99)	(133.02)
Less: Provision for Taxation	–	–
Profit/(Loss) for the year after Taxation	(208.99)	(133.02)
Add: Balance of Profit/(Loss) for earlier years	(134.12)	(1.10)
Balance carried forward to the Balance Sheet	(343.11)	(134.12)

Indian Accounting Standards

The financial statements for the financial year 2016-17 have been prepared in accordance with applicable Indian Accounting Standards (Ind-AS) and the corresponding figures for the previous year have been restated as per Ind-AS for the purpose of comparison.

Dividend

Your Directors have not recommended any dividend as the company is yet to start its commercial operations.

Reserves

Loss for the year has been carried forward and no amount has been transferred to Reserves as the company has not made any profits during the year.

Operations/State of the company's affairs

The Company was incorporated as a subsidiary of Mahindra World City Developers Limited (MWCDL) in FY 2015. Subsequently, MWCDL signed a Joint Venture agreement with Sumitomo Corporation, Japan (SC), thereby making MIPCL a 60:40 joint venture company between MWCDL and SC. MIPCL is developing an Industrial Park with a project area of 264 acres in North Chennai on the NH-16 (Chennai–Kolkata highway) corridor.

On the development front, the Company has secured environmental clearances. It has also received in-principle approval for commencement of construction activities from the relevant authority.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared based on going concern status of the Company.

Share Capital

As at 31st March 2017, authorised equity share capital of your company was ₹ 17,000 lakh and Paid-up equity share capital of the company was ₹ 17,000 lakh.

Presently, the 60% (₹ 10,200 lakh) of the paid-up share capital of your Company is held by Mahindra World City Developers Limited and 40% (₹ 6,800 lakh) is held by Sumitomo Corporation, Japan.

During the year, the Company has neither issued any equity shares or equity shares with differential rights or any sweat equity share nor granted employee stock options.

Non-Convertible Debentures

During the year, Company has not issued/allotted any non-convertible debentures.

Networth

The net worth of the Company at the close of the previous financial year (FY 2015-16) and at the close of the current financial year (FY 2016-17) was ₹ 17,766 lakh and ₹ 17,557 lakh respectively.

Holding Company

The Company is a subsidiary of Mahindra World City Developers Ltd (MWCDL) and consequently is a subsidiary of Mahindra Lifespace Developers Limited and a subsidiary company of the ultimate holding company Mahindra & Mahindra Limited. However for the purpose of Ind-AS based on which the financials statements are drawn up this company is a Joint Venture since this entity is jointly controlled by the two shareholders Mahindra World City Developers Ltd (MWCDL) and Sumitomo Corporation, Japan

Subsidiaries, Joint Ventures and Associate companies

No company became or ceased to be a Subsidiary/ Associate/ Joint Venture company of the Company during the year.

Board of Directors

As at 31st March, 2017, the Board of Directors comprise of following:

Name of Director	DIN	Designation
Ms. Anita Arjundas	00243215	Director
Ms.Sangeeta Prasad	02791944	Director
Mr.S Chandru	00243025	Director
Mr.Akito Shiraishi	07418849	Director
Mr. Shigeo Fukuda	07575473	Director
Mr. Ajay Sethi	00212958	Independent Director
Mr. R. Santhanam	00237740	Independent Director
Mr. C V Krishnan	01606522	Independent Director

During the year, Mr. Eisuke Nakanishi (DIN:07410922) resigned from the Directorship with effect from 14th October 2016. Mr. S. Chandru resigned from the Directorship with effect from 14th April 2017.The Board places on record its sincere appreciation of their association with the Company.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Akito Shiraishi (DIN : 07418849) Non-Executive and Non-Independent Directors retire by rotation at the Third Annual General Meeting of the Company and being eligible have offered himself for re-appointment. Mr. Akito Shiraishi is not disqualified from being re-appointed as Director, by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year the following were appointed as Additional Directors of the Company:

Sr. No.	Name of the Person	Date of Appointment	Designation
1	Mr. Ajay Sethi	13th April, 2016	Independent Director
2	Mr. R. Santhanam	13th April, 2016	Independent Director
3	Mr. C V Krishnan	13th April, 2016	Independent Director
4	Mr. Shigeo Fukuda	14th October, 2016	Non-Executive Non-Independent Director

Pursuant to Section 149(7) of the Act, declaration from all Independent Directors is received affirming their independence in accordance with the Section 149(6) of the Act.

Key Managerial Personnel

The following were appointed as the key managerial personnel of the company:

Sr. No.	Name of the person	Date of Appointment	Designation
1	Shyam Sundar Kalyanasundaram	13th April, 2016	Chief Executive Officer designated as Business Head
2	Aman Jayesh Desai	19th January 2017	Company Secretary

Mr. Siddarth Chandrasekhar was appointed as Chief Financial Officer on 11th February 2016 and resigned with effect from 19th January 2016. The Company is in process of identifying a suitable candidate for the position of the Chief Financial Officer.

Committees of the Board

Audit Committee

Considering the applicability of provisions of Audit Committee based on the financial statement for the financial year ended 31st March, 2016, the Audit Committee was reconstituted with effect from 13th April 2016 comprising of three Independent Directors, namely Mr. C V Krishnan, Mr. R. Santhanam, Mr. Ajay Sethi and two Non-Executive Non-Independent Director, Ms. Anita Arjundas and Mr. Akito Shiraishi. Mr. C V Krishnan is the Chairman of the Audit Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management.

Nomination and Remuneration Committee

Considering the applicability of provisions of Nomination and Remuneration Committee based on the financial statement for the financial year ended 31st March, 2016, the Nomination and Remuneration Committee was re-constituted w.e.f. 13th April, 2016, comprising of two Independent Directors, namely Mr. R. Santhanam, Mr. Ajay Sethi and two Non-Executive Non-Independent directors, Ms. Sangeeta Prasad and Mr. Akito Shiraishi. Ms. Sangeeta Prasad is the Chairperson of the Committee.

The following policies of the Company on appointment of Directors and Senior Management and remuneration of Directors and Key Managerial Personnel and Employees, as required under 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 1**, **Annexure 2 and Annexure 3**, respectively to this report:

1. Policy on appointment of Directors and Senior Management (**Annexure 1**)
2. Policy on remuneration of Directors (**Annexure 2**)
3. Policy on remuneration of Key Managerial Personnel and Employees (**Annexure 3**)

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013, evaluation of every Director's performance was done by Nomination and Remuneration Committee. The performance evaluation of Non- Independent Directors and the Board as a whole, Committees thereof, and Chairperson of the Company was carried out by Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of

Directors, excluding the Director being evaluated. Structured questionnaires, covering various aspects of the evaluation such as adequacy of the size and composition of the Board with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties; corporate governance practices, etc. were circulated to the Directors for the evaluation process.

Meeting of Independent Directors

The Independent Directors of the Company met without the presence of the Non- Independent Directors or any other Management Personnel. The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non- Independent Directors and the Board as a whole, assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Corporate Social Responsibility (CSR) Committee

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013, the provisions with respect to CSR are currently not applicable to the Company.

Meetings

During the year, five (5) Board Meetings were convened on 7th April 2016, 13th April 2016, 15th July 2016, 14th October 2016 and 19th January 2017.

During the year, four (4) Audit Committee meetings had been convened and held on the following dates :

13th April, 2016, 15th July, 2016, 14th October, 2016 and 19th January, 2017

During the year, five (5) meetings of the Nomination &Remuneration Committee had been convened and held on 7th April 2016, 13th April 2016, 15th July, 2016, 14th October, 2016 and 19th January, 2017.

The details of the number of meetings of the Board attended by the respective members of the Board are given below :

Sr. no.	Name of the Director	No of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended
1	Ms. Anita Arjundas	5	4	NA
2	Ms Sangeeta Prasad	4	NA	4
3	Mr. S Chandru	4	NA	NA
4	Mr. Eisuke Nakanishi*	2	NA	NA
5	Mr. Akito Shiraishi	5	4	4
6	Mr. Shigeo Fukuda**	2	NA	NA
7	Mr. Ajay Sethi	2	2	2
8	Mr. R. Santhanam	4	4	4
9	Mr. C.V. Krishnan	2	2	NA

Note: * Resigned with effect from 14th October, 2016
**Appointed with effect from 14th October, 2016

The previous Annual General Meeting of the Company was held on 15th July, 2016.

Code of Conduct

The Company has adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

During the year, due to the changes in the business environment and the governance landscape, the Code of Conduct of the Company for Senior Management and Employees was revised.

The Company has for the financial year 2016-17, received declarations under the Codes from the Board members of the Company affirming compliance with the respective Codes.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2017 and of the loss of the Company for that period;

(c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the annual accounts on a going concern basis; and

(e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

M/s. Deloitte Haskins and Sells LLP., Chartered Accountants, Chennai were appointed as auditors for a term of five consecutive years from the conclusion of 1st Annual General Meeting held on 14th July, 2015 till the conclusion of the 6th Annual General meeting of the Company to be held in 2020.

As of 31st March, 2016, paid up share capital of the Company was ₹17,000 lakh, i.e. more than ₹ 1,000 lakh stipulated in Section 139(2) of the Companies Act, 2013 and as such the provision of the said section relating to rotation of Auditors are applicable to the Company from the financial year 2016-17.

Pursuant to change in applicability of the provisions, instead of considering ratification of appointment of Auditors, it is proposed to appoint them by rotation under provisions of Section 139(2) of the Companies Act, 2013. As of date, Auditors have completed 2 years since their first appointment.

Accordingly, in terms of Section 139(2) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for a term of five consecutive years from the conclusion of the 3rd Annual General Meeting till the conclusion of the 7th Annual General Meeting of the Company to be held in calendar year 2021 (subject to ratification of their appointment at every AGM).

As required under the provisions of Section 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors whose appointment is proposed to be approved, to the effect that their appointment, if made, would be in conformity with the limits specified in the said section.

The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer and therefore does not call for any further comments.

The requirements of having cost auditor is presently not applicable to your Company.

Secretarial Auditor

The Board has appointed Ms. M. Kavitha Surana of M/s. M.K.Surana & Co., Practising Company Secretary, to conduct the secretarial audit for the financial year 2016-17. The Secretarial Audit report for the financial year ended 31st March, 2017 is annexed herewith and marked as **Annexure 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Vigil Mechanism

The provisions with respect to establishment of Vigil Mechanism are not applicable to the Company. However, as good corporate governance, the Audit Committee and the Board of Directors at its meeting held on 13th April, 2016 has established Vigil Mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairperson of the Company. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairperson of the Company. The Whistle Blower Policy of the Company is attached herewith as **Annexure 5**.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

As your Company is engaged in the business of Real Estate Development, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. The said provisions are also not applicable to acquisition of shares if allotted in pursuance of Section 62(1)(a) of the Act. The Company has not made any investment during the year.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material under the Companies Act, 2013. Therefore, the form AOC-2 is not applicable to the Company.

Deposits, Loans and Advances

During the year, your Company has not accepted any deposits from the public or its employees.

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the Holding Company Mahindra Life Space Developers Limited .

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year are given in the prescribed format in the **Annexure 6** to this report.

Employee Remuneration

Being an unlisted Company, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 7** and forms part of this Report.

General

During the year, there were no cases filed /reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

No fraud has been reported during the year by the Statutory Auditor and Secretarial Auditor of the Company.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors would like to thank the Holding company Mahindra World City Developers Ltd,Sumitomo Corporation and bankers and all stakeholders for the support received from them during the year.

For and on behalf of the Board

Anita Arjundas
Chairperson
DIN: 00243215

Place: Chennai
Date: 15th April, 2017

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Policy on appointment of Directors and Senior Management

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Industrial Park Chennai Limited.

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

"HR' means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

(i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)

(ii) Chief Financial Officer (CFO); and

(iii) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"**Senior Management**" means personnel of the Company who are members of its Core Management Team/Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:

    1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
    2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
    3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in sprit by the Directors.

- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Manager based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

Anita Arjundas
Chairperson
DIN : 00243215

Place: Chennai
Date: 15th April, 2017

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Policy on remuneration of Directors

Purpose

This Policy sets out the approach to Compensation of Directors, in Mahindra Industrial Park Chennai Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of the Company and to become a major player in Indian Real Estate Sector, to maintain the pioneer status in the Integrated Business City format, to be the most trusted brand in the business we operate in and focus on customer centricity through transparency, quality and on-time delivery, to be a thought leader and establish industry benchmarks in Sustainable Development.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Manager

Remuneration of the Manager reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Manager, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. The policy aims at a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration to the Manager shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of the Company from time to time and as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of appointment, the variable compensation will be determined annually by the NRC based on the performance of Manager.

The term of office and remuneration of Manager is subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and within the statutory limits laid down in this regard from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Manager in accordance with the provisions of Schedule V of the Companies Act, 2013.

If a Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration for Manager is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him/her fairly and responsibly. The remuneration to the Manager comprises of salary, perquisites and benefits as per policy of the Company and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended/approved by the Remuneration Committee/Board.

Directors

The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 2013. A Non-Executive Non-Independent Director who receives remuneration from the holding company or any other group company is not paid any sitting fees or any remuneration. In addition to the above the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

The Company may also grant Stock Options to the eligible employees and Directors (other than Independent Directors) in accordance with the ESOP Schemes of the Company from time to time and subject to the compliance of the applicable statutes and regulations.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Manager and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report as per statutory requirements in this regard.

Anita Arjundas
Chairperson
DIN : 00243215

Place: Chennai
Date: 15^{th} April, 2017

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Policy on Remuneration of Key Managerial Personnel and Employees

This Policy is effective from the financial year 2016-17.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will vary from 10% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60th percentile. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
  a) The increment that needs to be paid for different performance ratings as well as grades.
  b) The increment for promotions and the total maximum increment.
  c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

Anita Arjundas
Chairperson
DIN: 00243215

Place: Chennai
Date: 15th April, 2017

ANNEXURE 4
SECRETARIAL REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Mahindra Industrial Park Chennai Limited

Ground Floor, "Mahindra Towers",

17/18, Patulous Road,

Chennai – 600 002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahindra Industrial Park Chennai Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Mahindra Industrial Park Chennai Limited's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2017, adequately complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Mahindra Industrial Park Chennai Limited for the financial year ended on 31.03.2017, according to the provisions of The Companies Act, 2013 (the Act) and the rules made thereunder and we report that the Company has generally complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company.

We have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations to the company. The list of major head/groups of Acts, Laws and Regulations as applicable to the company is given below

(i) The Building & Other Construction Workers (Regulation of employment and conditions of service) Act, 1996.

(ii) Town & Country Planning Acts and Development Control Regulations & Building Bye Laws as applicable at various locations

(iii) The Ownership Flats & Apartment Ownership Act as applicable at various locations

(iv) The Environment Protection Act, 1986

(v) The Special Economic Zone Act, 2005 and rules thereunder

(vi) The Child and Adolescent Labour (Prohibition & Regulation) Act, 1986

(vii) The Co-operative Societies Act, as applicable at various locations

We have also examined compliance with the applicable clauses of Secretarial Standards on Board Meeting and General Meeting issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs. The said Secretarial Standards have been generally followed by the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. **As on 31.03.2017**, the Board consists of Ms. Anita Arjundas, Mr. Sethuraman Chandru, Ms. Sangeeta Prasad, Mr. Akito Shiraishi, Mr. Shigeo Fukuda as Directors, Mr. Ajay Sethi, Mr. Rajagapolan Santhanam, Mr. C V Krishnan as Independent Directors of the Company.

As on 31.03.2017, the Key Managerial Personnel of the Company comprises of Mr. Aman Jayesh Desai as Company Secretary and Mr. Kalyanasundaram Shyam Sundar as CEO of the Company.

Adequate notices were given to all directors for the Board Meetings, agenda and detailed notes on agenda were also sent in advance by the company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above have taken place –

1. The Board of Directors at its Board Meeting held on 07.04.2016 made appointment of M/s. M.K. Surana & Co, Practicing Company Secretaries as the Secretarial Auditor of the Company for conducting Secretarial Audit for the

Financial Year 2015-2016 pursuant to Section 179(3) and Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The e-form MGT-14 was filed with ROC on 13.05.2016.

2. The Board of Directors approved the Financial Statements (Balance sheet of the company as at 31st March 2016 and the Profit & Loss Account for the year ended 31.03.2016) pursuant to Section 179(3) read with Rule 8 of Companies (Meetings of Board and its Powers) Rules, 2014. The necessary e-Form MGT-14 was filed with ROC on 14.05.2016.

3. The Board of Directors approved the Board's Report along with the other reports, annexure and attachments for the financial year ended 31st March 2016 pursuant to Section 179(3) read with Rule 8 of Companies (Meetings of Board and its Powers) Rules, 2014. The necessary e-Form MGT-14 was filed with ROC on 14.05.2016 and the financial statements were filed in e-Form AOC-4 (XBRL) on 26.10.2016 with ROC.

4. The Board of Directors at its Board Meeting held on 13.04.2016 appointed Mr. Shyam Kalyanasundaram as CEO and KMP of the Company with effect from 13.04.2016 pursuant to provisions of section 178,179 and 203. The necessary e-forms MGT-14, DIR-12 and MR-1 were filed with ROC on 14.05.2016, 12.05.2016 and 07.06.2016 respectively.

5. Shareholders' approval was accorded in the EGM held on 13th April 2016 pursuant to provisions of section 149,150 and 152 for appointment of Mr. Ajay Sethi, Mr. C V Krishnan and Mr. Rajagopalan Santhanam as Independent Directors of the Company. Necessary e-form DIR-12 was been filed with ROC on 12.05.2016.

6. The Board of Directors at its Board Meeting held on 15.07.2016 made appointment of M/s. M.K. Surana & Co, Practicing Company Secretaries as the Secretarial Auditor of the Company for conducting Secretarial Audit, for the Financial Year 2016-2017 pursuant to section 179(3) and section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the necessary e-form MGT-14 was filed with ROC on 08.08.2016.

7. Pursuant to Section 77, 78 and 79 of the Companies Act, 2013 and Rule 3(1) of the Companies (Registration of Charges) Rules 2014, Charge was modified on Immovable Property with HDFC Bank Limited on 01.08.2016 to enable MIPCL to gift to TANGEDCO to erect substation and necessary e-form CHG-1 was filed with ROC on 30.09.2016 with additional fees.

8. The Company had filed Annual Return pursuant to section 92 of the Companies Act, 2013 and necessary e-form MGT-7 was filed with ROC along with Certificate in Form MGT- 8 pursuant to Section 92(2) of the Companies Act, 2013 and Rule 11(2) of Companies (Management and Administration) Rules, 2014 on 28.10.2016.

9. Pursuant to the Provision of section 179(3) of the Companies Act, 2013, read with Rule 8 of Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors at its meeting held on 14.10.2016 appointed M/s. Ernst & Young LLP as Internal Auditor of the Company for the Financial year 2016-2017 and the necessary e-form MGT-14 was filed with ROC on 11.11.2016.

10. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, the Board of Directors at its Board Meeting held on 14.10.2016 appointed Mr. Shigeo Fukuda as Additional Director of the Company and the necessary e-form DIR-12 was filed with ROC on 19.11.2016 with additional fees.

11. Mr. Eisuke Nakanishi resigned from the Board of Directors with effect from 14.10.2016 and the both e-form DIR-11 and DIR-12 was filed with ROC on 19.11.2016 with additional fees.

12. Shareholders' approval was accorded in the EGM held on 21.11.2016 pursuant to provisions of section 152,160 and 161 for regularizing the appointment of Mr. Shigeo Fukuda as Director of the Company and the necessary e-form DIR-12 was filed with ROC on 14.12.2016.

13. Mr. Chandrasekhar Siddharth resigned from the post of CFO of the company with effect from 19.01.2017. Mr. Aman Jeyash Desai was appointed as Company Secretary of the company with effect from 19.01.2017 and the necessary e-form DIR-12 and e-form MGT-14 (both) were filed with ROC on 15.02.2017.

14. Pursuant to the Section 89(6) of the Companies Act, 2013 and pursuant to rule 9(3) of the Companies (Management and Administration Rules) 2014, Form MGT-6 was filed with ROC on 03.03.2017.

15. The Company has been generally compliant in paying the statutory dues to Income Tax Department and also generally deducts TDS on all applicable employees as required under Income Tax Act, 1961.

16. The Company has been generally compliant in making payments as prescribed in The Employees' Provident Funds and Miscellaneous Provision Act, 1952.

17. Pursuant to the provisions of RBI Guidelines, Foreign Exchange Management Act (as amended), FDI Guidelines issued by the Government of India and provisions relating to automatic route there under (collectively, the "Act") the company had allotted 68,000,000 Equity Shares of ₹10/- each at a premium to Sumitomo Corporation, Japan and the necessary e-Form PAS-3 was filed with ROC. Required Annexure – 6 was also filed manually with the AD Bank and e-Form FC- GPR was also filed with RBI in compliance with FEMA. The UIN Number is yet to be allotted by RBI.

for M. K. Surana & Co.,
Company Secretaries

M. Kavitha Surana
Proprietor
FCS 5926, C. P. No.5269

Place: Chennai
Date: 13.04.2017

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To,

The Members
Mahindra Industrial Park Chennai Limited
Ground Floor, 'Mahindra Towers',
17/18, Patulous Road,
Chennai – 600 002

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to expression opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for M. K. Surana & Co.,
Company Secretaries,

M. Kavitha Surana
Proprietor
FCS 5926, C. P. No.5269

Place: Chennai
Date: 13.04.2017

ANNEXURE 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

WHISTLE BLOWER POLICY

1. The Whistle Blower Policy is effective from 13th April 2016.

2. Preface

Mahindra Industrial Park Chennai Limited(MIPCL) ("the Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Towards this end, the Company has adopted three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees (collectively referred to as "Codes" or "the Codes") and various Policies under the helm of Corporate Governance which inter alia include Policy on Disaster Management, Environment & Pollution, Human Resources, Insider Trading, Investor Relations, etc. (collectively referred to as "Policies") which lays down the principles and standards that should govern the actions of the Company and its Employees. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Employees/Directors in pointing out such violations of the Code/Policies cannot be undermined.

Further, as per the provisions of sub-section 9 of section 177 of Companies Act. 2013 ("the Act" or "Act"), the company has been mandated to establish a vigil mechanism for directors and employees of the company to report to the Management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code or Policies.

Accordingly, this Whistle Blower Policy ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Audit Committee.

3. Definitions

The definitions of the key terms used in this Policy are given below. [Terms not defined herein below shall have the meaning assigned to them under the Codes/Policies/ Act.]

a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

b. "Codes" mean three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees.

c. "Director" means a director as defined under Section 2 (34) of the Companies Act, 2013.

d. "Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company.

e. "Investigators" means those persons authorised, appointed, consulted or approached by the Audit Committee and the Police.

f. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity.

g. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

h. "Whistle Blower" means a Director or Employee making a Protected Disclosure under this Policy.

4. Scope

a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigator.

c. Protected Disclosure will be appropriately dealt with by the Audit Committee.

5. Eligibility

All the Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6. Procedure

a. All Protected Disclosures should be addressed to the Audit Committee.

b. If a protected disclosure is received by any Executive(s) of the Company other than the Audit Committee member, the same should be forwarded to the Audit Committee for further appropriate action.

c. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).

e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

7. Investigation

a. All Protected Disclosures reported under this Policy would be thoroughly investigated by the Audit Committee who would investigate/oversee the investigations.

b. The Audit Committee may at their discretion, consider involving any Investigators for the purpose of investigation.

c. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

d. The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.

e. Subjects would normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

g. Subjects have a right to consult with a person or persons of their choice, other than the Audit Committee.

h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

i. Unless there are compelling reasons not to do so, Subjects would be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

j. Subjects have a right to be informed of the outcome of the investigation.

k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

a. For the purpose of providing protection to the Whistle Blower(s), the Whistle Blower(s) should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

b. The identity of the Whistle Blower(s) shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower(s) would be informed accordingly.

c. No unfair treatment would be meted out to a Whistle Blower(s) by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle Blower(s). Complete protection would, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company would take steps to minimise difficulties, which the Whistle Blower(s) may experience as a result of making the Protected Disclosure.

d. A Whistle Blower(s) may report any violation of the above Clause to the Audit Committee who shall investigate into the same and advise suitable action to the Management.

e. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower(s).

9. Disqualifications

a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.

b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.

c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

10. Investigators

a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.

b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.

c. Investigations would be launched only after a preliminary review by the Audit Committee, as the case may be, which establishes that:

   i. the alleged act constitutes an improper or unethical activity or conduct; and

   ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review.

11. Decision

If an investigation leads the Audit Committee to conclude that an illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity has taken place/has been committed, the Audit Committee shall advise to the Management of the Company to take such disciplinary or corrective action as the Audit Committee may deem fit.

12. Reporting

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee on a regular basis.

13. Retention of documents

All Protected Disclosures in writing or documented alongwith the results of investigation relating thereto shall be retained by the Company for a minimum period of seven year.

14. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification would be binding on the Employees/ Directors unless the same is notified to the Employees/ Director.

For and on behalf of the Board

Anita Arjundas
Chairperson
DIN: 00243215

Place: Chennai
Date: 15th April, 2017

ANNEXURE 6 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017:

A. CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	:	Not Applicable
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	Not Applicable
(iii)	the capital investment on energy conservation equipments	:	Not Applicable

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	Not Applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not Applicable
(iv)	the expenditure incurred on Research and Development	:	Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO - NIL

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Place: Chennai
Date: 15th April, 2017

ANNEXURE 7 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2017
(Pursuant to Section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U45209TN2014PLC098543
2.	Registration Date	22nd December, 2014
3.	Name of the Company	Mahindra Industrial Park Chennai Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, Ground Floor, No. 17/18 Patullos Road, Chennai 600 002 Tel. No.: 044-64522294 Fax No.: 044-28584713
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Builders – Property Developers	0403	The company is in the process of obtaining approvals for commencing its commercial operations.

***As per National Industrial Classification – Ministry of Statistics and Programme Implementation**

 # on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/Associate of the Company	% of shares held	Applicable Section
1.	Mahindra World City Developers Limited Address: Mahindra Towers, Ground Floor, No.17/18 Patullos Road, Chennai 600 002	U92490TN1997PLC037551	Holding Company	60	2(46)
2.	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Intermediate Holding Company	NIL	2(46)
3.	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Ultimate Holding Company.	NIL	2(46)

4. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding.

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp*	–	102,000,000	102,000,000	60	–	102,000,000	102,000,000	60	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	**102,000,000**	**102,000,000**	**60**	–	**102,000,000**	**102,000,000**	**60**	–
(2) Foreign									
a) NRIs-Individuals	–	–	–	–	–	–	–	–	–
b) Other–Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–				
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)*	–	**102,000,000**	**102,000,000**	**60**	–	**102,000,000**	**102,000,000**	**60**	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	68,000,000	68,000,000	40	–	68,000,000	68,000,000	40	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	**68,000,000**	**68,000,000**	**40**	–	**68,000,000**	**68,000,000**	**40**	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	**170,000,000**	**170,000,000**	**100**	–	**170,000,000**	**170,000,000**	**100**	–

*Note: * Including Nominees*

(ii) Shareholding of Promoters

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
Body Corporate – Mahindra World City Developers Limited	102,000,000	60	**Nil**	102,000,000	60	**Nil**	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding & Promoter Group

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31st March, 2016		Cumulative Shareholding during the year 31st March, 2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	68,000,000	40	68,000,000	40
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	–	–	–	–
	At the end of the year	68,000,000	40	68,000,000	40

(v) Shareholding of Directors and Key Managerial Personnel:

For each of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Anita Arjundas – Director At the beginning of the year	1*	0.00	1	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	–	–	–	–
At the end of the year	1*	0.00	1	0.00
Sangeeta Prasad – Director At the beginning of the year	1*	0.00	1	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	–	–	–	–
At the end of the year	1*	0.00	1	0.00

Note: * Held as nominee of the holding company Mahindra World City Developers Ltd as on 31st March, 2017.

5. INDEBTEDNESS **(₹ in lakh)**

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,075	–	–	3,075
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	3,075	–	–	3,075
Change in Indebtedness during the financial year				
• Addition	863	–	–	863
• Reduction	–	–	–	–
Net Change	863	–	–	863
Indebtedness at the end of the financial year				
i) Principal Amount	3,938	–	–	3,938
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	3,938	–	–	3,938

6) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable

B. Remuneration of other directors:

					(₹ In lakh)
Sr. no	**Particulars of Remuneration**	**Name of Directors**			**Total Amount**
		C.V. Krishnan	**Ajay Sethi**	**Rajagoplan Santhanam**	
1.	**Independent Directors**				
	• Fee for attending board/committee meetings	0.60	0.80	1.60	3.00
	• Commission	–	–	–	–
	• Others, please specify	–	–	–	–
	Total (1)	0.60	0.80	1.60	3.00
2.	**Other Non-Executive Directors**				
	• Fee for attending board / committee meetings	–	–	–	–
	• Commission	–	–	–	–
	• Others, please specify	–	–	–	–
	Total (2)	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	0.60	0.80	1.60	3.00
	Total (A)				
	Total Managerial Remuneration	0.60	0.80	1.60	3.00

C. Remuneration to Key Managerial Personnel (KMP) other than MD/MANAGER/WTD:

				(₹ In lakh)
Sl. no.	**Particulars of Remuneration**	**Key Managerial Personnel**		
		CEO	**Company Secretary**	**Total**
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35.61	0.53	36.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.38	–	0.38
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission	–	–	–
	– as % of profit	–		–
	– others, specify…	–	–	–
5.	Others, please Specify	–	–	–
	Total	35.99	0.53	36.52

7) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board

Anita Arjundas
Chairperson
DIN: 00243215

Place: Chennai
Date: 15th April, 2017

INDEPENDENT AUDITOR'S REPORT

To The Members of MAHINDRA INDUSTRIAL PARK CHENNAI LIMITED Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Mahindra Industrial Park Chennai Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit report, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company did not have any pending litigation which would impact its financial position; (Refer note 29 to the Financial Statements).

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on Audit procedures performed and the representations and such disclosures are in accordance with the books of accounts maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 15th April, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mahindra Industrial Park Chennai Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing whether the risk of a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on company's internal Financial Control Systems over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: 15th April, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has only one asset and has maintained proper records showing full particulars, including quantitative detail and situation of the fixed asset.

(b) The fixed asset was physically verified during the year by the Management.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds are at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits outstanding at any time during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March, 2017 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The company has not issued any debentures. The Company has not taken loans or borrowings from financial institutions and government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of CARO 2016 is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, compliance under the Companies Act 2013 regarding managerial remuneration is not presently applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place : Chennai
Date : 15th April, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(Amounts in ₹)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	**1,083,483**	–	–
		1,083,483	–	–
Current assets				
(a) Inventories	5	**2,396,394,225**	2,336,725,087	–
(b) Financial assets				
(i) Cash and Cash Equivalents	6	**8,913,042**	4,844,532	500,000
(c) Other current assets	7	**9,160,080**	3,405,949	–
		2,414,467,347	2,344,975,568	500,000
Total Assets		**2,415,550,830**	2,344,975,568	500,000
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	8	**1,700,000,000**	1,700,000,000	500,000
(b) Other Equity				
(i) Share Premium	9	**90,000,000**	90,000,000	–
(ii) Retained Earnings	9	**(34,310,651)**	(13,411,523)	(109,608)
Total Equity		**1,755,689,349**	1,776,588,477	390,392
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	10	**393,896,496**	307,514,183	–
		393,896,496	307,514,183	–
Current liabilities				
(a) Financial Liabilities				
(i) Trade Payable				
Total outstanding dues of micro enterprises and small enterprises	11	**–**	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	11	**262,305,461**	258,919,420	109,608
(b) Other Current Liabilities	12	**2,045,726**	1,953,488	–
(c) Provisions	13	**1,613,798**	–	–
Total Liabilities		**265,964,985**	260,872,908	109,608
Total Equity and Liabilities		**2,415,550,830**	2,344,975,568	500,000

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 15th April, 2017

For and on behalf of the board of directors of Mahindra Industrial Park Chennai Limited

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Aman Desai
Company Secretary
(ACS: 47990)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amounts in ₹)

Particulars	Note No.	31st March, 2017	31st March, 2016
Income			
Other income		**–**	–
Total income		**–**	–
Expenses			
Construction Expenses incurred		**22,041,144**	2,326,251,301
(Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade	14	**(59,669,138)**	(2,336,725,087)
Employee Benefit Expense	15	**12,170,695**	–
Depreciation Expenses	4	**45,267**	–
Finance Cost	16	**38,338,768**	10,473,786
Other expenses	17	**7,972,392**	13,301,915
Total Expense		**20,899,128**	13,301,915
Profit before tax		**(20,899,128)**	(13,301,915)
Tax expenses		**–**	–
Loss for the year (A)		**(20,899,128)**	(13,301,915)
Other Comprehensive Income		**–**	–
Other Comprehensive Income for the year (B)		**–**	–
Total Comprehensive Income for the year (A+B)		**(20,899,128)**	(13,301,915)
Earnings per equity share [of Face value of ₹ 10/Share]	18		
Basic & Diluted (in ₹)		**(0.12)**	(0.33)

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 15th April, 2017

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Aman Desai
Company Secretary
(ACS: 47990)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amounts in ₹)

Particulars	**31st March, 2017**	31st March, 2016
Cash flow from operating activities		
Profit/(Loss) Before Tax	**(20,899,128)**	(13,301,915)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	**45,267**	–
Net (Gain)/Loss recognised in P & L On borrowings	**1,382,313**	(7,485,715)
Interest Expense	**38,338,768**	10,473,786
ROC Filing Fees	**–**	12,860,000
Operating Profit/(Losses) before working capital changes	**18,867,220**	2,546,156
Working Capital changes and other adjustments:		
(Decrease)/Increase in Trade payables	**3,386,041**	258,809,812
(Decrease)/Increase in Other Current Liabilities	**(1,036,512)**	1,953,488
(Decrease)/Increase in Provision	**1,613,798**	–
(Increase)/Decrease Trade Receivables		
(Increase)/Decrease Inventories	**(59,669,138)**	(1,317,225,087)
Increase/Decrease other Non Current and current assets		
(Increase)/Decrease Other Current Assets	**(5,754,131)**	(3,405,949)
Cash generated from/(used in) operations	**(42,592,722)**	(1,057,321,580)
Direct taxes paid (net of refunds)	**–**	–
Net cash from/(used in) Operating activities (A)	**(42,592,722)**	(1,057,321,580)
Cash flows from Investing activities		
Purchase of property, plant and equipment	**–**	–
Investment in fixed deposit for more than 3 months	**–**	–
Net cash flow from/(used in) Investing activities (B)	**–**	–
Cash flows from Financing activities		
Issue of Share Capital	**–**	770,000,000
ROC Filing Fees	**–**	(12,860,000)
Proceeds from Borrowings	**85,000,000**	314,999,898
Interest Paid	**(38,338,768)**	(10,473,786)
Net cash from/(used in) in Financing activities (C)	**46,661,232**	1,061,666,112
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**4,068,510**	4,344,532
Cash and cash equivalents at the beginning of the period	**4,844,532**	500,000
Cash and cash equivalents at the end of the period	**8,913,042**	4,844,532
Components of cash and cash equivalents		
Cash on hand	**–**	–
With banks		
– on current account	**8,913,042**	4,844,532
– on deposit account	**–**	–
Total cash and cash equivalents	**8,913,042**	4,844,532

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 15th April, 2017

For and on behalf of the board of directors of Mahindra Industrial Park Chennai Limited

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Aman Desai
Company Secretary
(ACS: 47990)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

A. Equity Share Capital

Particulars	No. of Shares	Amounts in ₹
Class A Equity Shares of ₹ 10 each issues, subscribed and fully paid		
As at 1 April 2015	50,000	500,000
Issue is share capital	169,950,000	1,699,500,000
At 31 March 2016	**170,000,000**	**1,700,000,000**
Issue is share capital	–	–
At 31 March 2017	**170,000,000**	**1,700,000,000**
Total Equity Share Capital of ₹ 10 each issues, subscribed and fully paid		
As at 1 April 2015	50,000	500,000
Issue is share capital	169,950,000	1,699,500,000
At 31 March 2016	**170,000,000**	**1,700,000,000**
Issue is share capital	–	–
At 31 March 2017	**170,000,000**	**1,700,000,000**

B. Other Equity

(Amounts in ₹)

	Reserves and Surplus		
Particulars	**Securities Premium Reserve**	**Retained earnings**	**Total**
As at 1 April 2015	–	(109,608)	(109,608)
Profit/(Loss) for the period	–	(13,301,915)	(13,301,915)
Other Comprehensive Income/(Loss)	–	–	–
Total Comprehensive Income for the year	**–**	**(13,301,915)**	**(13,301,915)**
Issue of Share Capital	90,000,000	–	90,000,000
As at 31 March 2016	**90,000,000**	**(13,411,523)**	**76,588,477**
Profit/(Loss) for the period	–	(20,899,128)	(20,899,128)
Other Comprehensive Income/(Loss)	–	–	–
As at 31 March 2017	**90,000,000**	**(34,310,651)**	**55,689,349**

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the board of directors of
Mahindra Industrial Park Chennai Limited

Geetha Suryanarayanan
Partner

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Aman Desai
Company Secretary
(ACS: 47990)

Place: Chennai
Date: 15th April, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note Particulars

1. General information

The Mahindra Industrial Park Chennai Limited ("the Company") was incorporated on 22nd December, 2014. The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company is developing a 260-acre Industrial Park in North Chennai on NH-15. The Company is a joint venture between Mahindra World City Developers Limited and Sumitomo Corporation SC of Japan.

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

The Company prepared its financial statements up to the year ended 31st March 2016 in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The Company has prepared its financial statements for the current financial year as per the requirement Ind AS. The date of transition to Ind AS is 1 April 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.4 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Work in progress includes cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties used in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.7 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also, allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle, a provision is expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.9.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.11 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year-end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

2.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.12.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

2.12.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.12.3 Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.12.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.12.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.12.5.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.12.5.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged,

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

canceled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.13 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.14 First-time adoption – mandatory exceptions, optional exemptions, and

2.14.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

2.14.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2015 (the transition date).

2.14.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.14.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.15 Earnings per share:

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.16 Service tax input credit:

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 4 Property, Plant and Equipment

(Amounts in ₹)

Description of Assets	Vehicles	Office equipment	Total
I. Gross Carrying Amount			
Balance as at 1 April, 2016	–	–	–
Additions	1,128,750		1,128,750
Disposals	–	–	–
Balance as at 31 March, 2017	**1,128,750**	–	**1,128,750**
II. Accumulated depreciation and impairment			
Balance as at 1 April, 2016	–	–	–
Depreciation expense for the year	45,267		45,267
Eliminated on disposal of assets	–	–	–
Balance as at 31 March, 2017	**45,267**	–	**45,267**
III. Net carrying amount (I-II)			
Balance as at 31 March, 2017	**1,083,483**	–	**1,083,483**
Balance as at 31 March, 2016	–	–	–

(Amounts in ₹)

Description of Assets	Buildings	Office equipment	Total
I. Gross Carrying Amount			
Balance as at 1 April, 2015	–	–	–
Additions	–	–	–
Disposals	–	–	–
Balance as at 31 March, 2016	–	–	–
II. Accumulated depreciation and impairment			
Balance as at 1 April, 2015	–	–	–
Depreciation expense for the year	–	–	–
Eliminated on disposal of assets	–	–	–
Balance as at 31 March, 2016	–	–	–
III. Net carrying amount (I-II)			
Balance as at 31 March, 2016	–	–	–
Balance as at 31 March, 2015	–	–	–

Refer notes on accounts for Company's policy on recognition and measurement of Property Plant, Equipment and Depreciation Methods Used.

Note 5 Inventories

(Amounts in ₹)

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 01st April, 2015
Work in progress (representing cost of land and related expenditure)	**2,396,394,225**	2,336,725,087	–
Raw Material	–	–	–
Total Inventories	**2,396,394,225**	2,336,725,087	–
Included above			
Land Cost	**2,104,667,000**	2,104,667,000	–
Development Cost	**291,727,225**	232,058,087	–

Borrowing Cost inventorised as per below.

The Cost of inventory recognised as expenses/(income) during the year in respect of continuing operations was INR (376.28 lakh) (31st March, 2016 was (INR 104.74 lakh) and 31st March, 2015 was INR NIL).

The Carrying amount of inventories pledged as security for liabilities - Refer note 9 Non Current Borrowings.

Mode of Valuation of Inventories is Cost of Net Realisable Value whichever is lesser.

Borrowing cost inventories relates to interest on borrowing referred to note no. 10 consider in the ratio of land inventory pending to be developed to the total inventory.

Note 6 Cash and bank balances

(Amounts in ₹)

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 01st April, 2015
Cash and cash equivalents			
Balances with banks:			
– On current accounts	**8,913,042**	4,844,532	500,000
Cash on hand	–	–	–
Total Cash and cash equivalents	**8,913,042**	4,844,532	500,000

Reconciliation of Cash and Cash Equivalents

(Amounts in ₹)

Particulars	**As at 31st March, 2017**	As at 31st March, 2016	As at 01st April, 2015
Total Cash and Cash Equivalents as per Balance Sheet	**8,913,042**	4,844,532	500,000
Total Cash and Cash Equivalents as per Statement of Cashflow	**8,913,042**	4,844,532	500,000

Note 7 Other assets

(Amounts in ₹)

Particulars	**As at 31st March, 2017**		As at 31st March, 2016		As at 01st April, 2015	
	Non-current	**Current**	Non-current	Current	Non-current	Current
Capital advances						
Unsecured, considered good	–	–	–	–	–	–
	–	–	–	–	–	–
Advances to suppliers						
Unsecured considered good	–	**2,512,692**	–	–		–
	–	**2,512,692**	–	–	–	–
Others						
Advance income-tax (Net of Provision for Taxation)	–	–	–	–		–
Balances with statutory/government authorities	–	**6,647,388**	–	3,405,949		–
	–	**6,647,388**	–	3,405,949	–	–
Total Other Assets	–	**9,160,080**	–	3,405,949	–	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Break-up of financial assets carried at amortised cost

Particulars	As at 31st March, 2017 Non-current	As at 31st March, 2017 Current	As at 31st March, 2016 Non-current	As at 31st March, 2016 Current	As at 01st April, 2015 Non-current	As at 01st April, 2015 Current
Cash & Cash Equivalent (Note 6)	–	**8,913,042**	–	4,844,532	–	500,000
Total financial assets carried at amortised cost	–	**8,913,042**	–	4,844,532	–	500,000

Note 8 Share capital

(Amounts in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
Authorized shares			
17,00,00,000 Ordinary Equity Shares of ₹ 10 each	**1,700,000,000**	1,700,000,000	500,000
	1,700,000,000	1,700,000,000	500,000
Issued, subscribed and fully paid-up shares			
17,00,00,000 Ordinary Equity Shares of ₹ 10 each	**1,700,000,000**	1,700,000,000	500,000
Total issued, subscribed and fully paid-up share capital	**1,700,000,000**	1,700,000,000	500,000

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

(Amounts in ₹)

Particulars	Opening Balance	Changes during the year	Closing Balance
(a) Equity Shares			
Class A equity shares			
Year Ended 31 March 2017			
No. of Shares	170,000,000	–	170,000,000
Amount	1,700,000,000	–	1,700,000,000
Year Ended 31 March 2016			
No. of Shares	50,000	169,950,000	170,000,000
Amount	500,000	1,699,500,000	1,700,000,000
Year Ended 1 April 2015			
No. of Shares	50,000	–	50,000
Amount	500,000	–	500,000

(a) Terms/rights attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

The dividends if any proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

(ii) Details of shareholders holding more than 5% shares in the company

(Amounts in ₹)

Name of the shareholder	As at 31st March, 2017 No.	As at 31st March, 2017 % holding in the class	As at 31st March, 2016 No.	As at 31st March, 2016 % holding in the class	As at 01st April, 2015 No.	As at 01st April, 2015 % holding in the class
Equity shares with voting rights						
Mahindra World City Developers Limited - Enterprise having joint control over the Company	**102,000,000**	**60%**	102,000,000	60%	50,000	100%
Sumitomo Corporation, Japan - Enterprise having joint control over the Company	**68,000,000**	**40%**	68,000,000	40%	–	0%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Note 9 Other Equity

(Amounts in ₹)

Particulars	Reserves and Surplus: Securities Premium Reserve	Reserves and Surplus: Retained earnings	Total
As at 1 April 2015	–	(109,608)	(109,608)
Profit/(Loss) for the period	–	(13,301,915)	(13,301,915)
Other Comprehensive Income/(Loss)	–	–	–
Share capital issued	90,000,000	–	90,000,000
As at 31 March 2016	**90,000,000**	**(13,411,523)**	**76,588,477**
Profit/(Loss) for the period	–	(20,899,128)	(20,899,128)
Other Comprehensive Income/(Loss)	–	–	–
As at 31 March 2017	**90,000,000**	**(34,310,651)**	**55,689,349**

Note 10 Non current borrowings

Details of Long term Borrowings of the Company:

Description of the instrument	Currency of Loan	Effective Interest Rate used for Discounting Cashflows	Coupon Rate	"Repayment Bullet (or) Installment"	"Number of Installments"	"Date of Redemption (or) Conversion"	Amortised cost as at 31st March, 2017	Amortised cost as at 31st March, 2016	Amortised cost as at 1st April, 2015
A. Secured Borrowings:									
a) Term Loans									
(i) From Financial Institution	INR	10.45%	9.7%-10.20%	Installment	16	31-Mar-19	393,896,496	307,514,183	–
Total Secured Borrowings							**393,896,496**	**307,514,183**	–
B. Un-Secured Borrowings:									
Total Un-Secured Borrowings							–	–	–
Total non current borrowings							**393,896,496**	**307,514,183**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Term Loan from Bank

Term Loan carried an interest of HDFC CPLR - 680 points. Principal to be repaid in 16 equal quarterly installments, commencing from March 2019, after a moratorium of 36 months. Rate of Interest up to 30th November, 2016 is 10.85% Current rate of interest is 10.25%.

Term loans are secured by equitable Mortgage by deposit of title deeds of 230.655 acres of land in Gummidipoondi Taluk with carrying value on INR 210.11 Crores.

Note 11 Trade Payables

(Amounts in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
Trade payable – Micro and small enterprises	–	–	–
Trade payable – Other than micro and small enterprises	262,305,461	258,919,420	109,608
	262,305,461	258,919,420	109,608

(i) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

(ii) Refer Note 28 for Mirco and Small Enterprises.

Breakup of financial liabilities carried at amortised cost

(Amounts in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
Borrowings (non-current) (note 14)	393,896,496	307,514,183	–
Trade payable – Micro and small enterprises	–	–	–
Trade payable – Other than micro and small enterprises	262,305,461	258,919,420	109,608
Total financial liabilities carried at amortised cost	656,201,957	566,433,603	109,608

Note 12 Other liabilities

(Amounts in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
Current			
Capital Creditors	1,128,750	–	–
Statutory dues payable	916,976	1,953,488	–
Total Other Current Liabilities	2,045,726	1,953,488	–

Note 13 Provision

(Amounts in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
Long-term Employee Benefits	1,613,798	–	–
Total Other Current Liabilities	1,613,798	–	–

Note 14 (Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade

(Amounts in ₹)

Particulars	31st March, 2017	31st March, 2016
Opening Stock		
Work-in-progress	2,336,725,087	–
Raw Material	–	–
Total Opening Stock	2,336,725,087	–
Closing Stock		
Work-in-progress	2,396,394,225	2,336,725,087
Raw Material	–	–
Total Closing Stock	2,396,394,225	2,336,725,087
Total (Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade	(59,669,138)	(2,336,725,087)

Note 15 Employee Benefit Expense

(Amounts in ₹)

Particulars	31st March, 2017	31st March, 2016
Salaries & Wages	11,765,460	–
Contribution to provident and other funds	252,739	–
Staff welfare expense	152,496	–
Total Revenue from operations	12,170,695	–

Note 16 Finance Costs

(Amounts in ₹)

Particulars	31st March, 2017	31st March, 2016
Interest on Term Loan	38,338,768	1,715,054
Interest on ICD	–	8,758,732
Net Finance Cost	38,338,768	10,473,786

Analysis of Interest Expenses by Category

(Amounts in ₹)

Particulars	31st March, 2017	31st March, 2016
Interest Expenses		
On Financial Liability at Amortised Cost	38,338,768	1,715,054
On Financial Liabilities at FVTPL	–	–

Note 17 Other expenses

(Amounts in ₹)

Particulars	31st March, 2017	31st March, 2016
Legal and professional fees	5,205,518	70,350
Rates & Taxes incl. ROC filing fees	169,073	12,906,462
Travelling & Conveyance	1,299,609	–
Payment to auditor (Refer details below)	600,000	325,000
Directors Sitting fees	300,975	–
Printing & Stationery	174,580	–
Repairs & Maintenance	127,902	–
Communication	32,925	–
Miscellaneous Expense	59,425	–
Bank Charges	2,385	103
Total Other expenses	7,972,392	13,301,915

Payment to auditor (excluding taxes)	31st March, 2017	31st March, 2016
Audit Fees	500,000	325,000
Certification and Other Services	100,000	–
Out of Pocket Expenses	–	–
	600,000	325,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 18 Earnings per share (EPS)

(Amounts in ₹)

Particulars	31st March, 2017 Per Share	31st March, 2016 Per Share
Basic/Diluted Earnings per share		
From continuing operations (₹) per share	**(0.12)**	(0.33)
From discontinuing operations (₹) per share	–	–
Total basic/diluted earnings per share	**(0.12)**	(0.33)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(Amounts in ₹)

Particulars	31st March, 2017	31st March, 2016
Profit/for the year attributable to owners of the Company	**(20,899,128)**	(13,301,915)
Less: Preference dividend and tax thereon		
Profit/for the year used in the calculation of basic earnings per share	**(20,899,128)**	(13,301,915)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–	–
Profits used in the calculation of basic earnings per share from continuing operations	**(20,899,128)**	(13,301,915)
Weighted average number of equity shares	**170,000,000**	40,744,110
Earnings per share from continuing operations - Basic	**(0.12)**	(0.33)

Note 19 Related party disclosures

Names of related parties and related party relationship

Related parties where control exists	
Enterprises having joint control over the Company	Mahindra World City Developers Limited Sumitomo Corporation, Japan
Related parties with whom transactions have taken place during the year	
Enterprises having joint control over the Company	Mahindra World City Developers Limited
KMP CFO	Mr. Chandrasekhar Siddarth, Chief Financial Officer - From 11th February 2016 to 19th January 2017)
KMP Company Secretary	Mr. Aman Desai (With effect from 19th January, 2017)
Business Head	Mr. Shyam Kalyanasundaram Effective 13th April 2016

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transactions with Related Parties	For the year ended	Mahindra World City Developers Limited	Sumitomo Corporation, Japan	KMP
Purchase of Land	31-Mar-17	–	–	–
	31-Mar-16	(2,104,667,000)	–	–
Professional charges Paid	31-Mar-17	9,607,915	–	–
	31-Mar-16	(1,649,184)	–	–
Interest Paid	31-Mar-17	–	–	–
	31-Mar-16	(8,758,732)	–	–
Reimbursement of Expenses	31-Mar-17	4,092,410	–	–
	31-Mar-16	(11,283,775)	–	–
Purchase of Fixed Asset (Car)	31-Mar-17	1,128,750	–	–
	31-Mar-16	–	–	–
Equity Share Capital Issued (Including Premium)	31-Mar-17	–	–	–
	31-Mar-16	–	–	–
Business Head Remuneration	31-Mar-17	–	–	3,598,900
	31-Mar-16	–	–	–
Company Secretary Remuneration	31-Mar-17	–	–	52,500
	31-Mar-16	–	–	–
CFO	31-Mar-17	–	–	–
	31-Mar-16	–	–	–

The following table provides the balances with related parties as on the relevant date:

Nature of Balances with Related Parties	Balance as on	Mahindra World City Developers Limited	Sumitomo Corporation, Japan
Equity Share Capital	31-Mar-17	1,020,000,000	680,000,000
	31-Mar-16	1,020,000,000	680,000,000
	1-Apr-15	500,000	–
Payable	31-Mar-17	262,042,467	–
	31-Mar-16	258,581,920	–
	1-Apr-15	–	–

Note: Figures in bracket relates to the previous year.

* Remuneration payable to Business Head, Company Secretary & CFO is approved by Nomination & Remuneration committee.

Note 20 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value			Fair value as at		
Particulars	**31-Mar-17**	31-Mar-16	1-Apr-15	**31-Mar-17**	31-Mar-16	1-Apr-15
Financial assets						
Cash and Cash Equivalents	**8,913,042**	4,844,532	500,000	**8,913,042**	4,844,532	500,000
Total financial assets	**8,913,042**	4,844,532	500,000	**8,913,042**	4,844,532	500,000
Financial liabilities						
Borrowings	**393,896,496**	307,514,183	–	**393,896,496**	307,514,183	–
Trade Payable	**262,305,461**	258,919,420	109,608	**262,305,461**	258,919,420	109,608
Total financial liabilities	**656,201,957**	566,433,603	109,608	**656,201,957**	566,433,603	109,608

The management assessed that Investment in Mutual Funds, cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 21 Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2017:

		Fair value measurement using			
Particulars	**Date of Valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets					
Assets measured at Fair Value:					
Total		–	–	–	–
Financial liabilities					
Liabilities measured at fair value:					
Floating rate borrowings – Term Loan	31-Mar-17	–	393,896,496	–	393,896,496
Total		–	393,896,496	–	393,896,496

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016:

		Fair value measurement using			
Particulars	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Assets measured at Fair Value:					
Total		–	–	–	–
Financial liabilities					
Liabilities measured at fair value:					
Floating rate borrowings – Term Loan	31-Mar-16	–	307,514,183	–	307,514,183
Total		–	307,514,183	–	307,514,183

Quantitative disclosures fair value measurement hierarchy for assets as at 1st April 2015:

		Fair value measurement using			
Particulars	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Assets measured at Fair Value:					
Total		–	–	–	–
Financial liabilities					
Liabilities measured at fair value:					
Total		–	–	–	–

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

There have been no transfers between Level 1 and Level 2 during year ended 31st March, 2016.

Note 22 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Estimation of net realisable value for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories under construction is assessed with reference to the market prices at the reporting date less estimated costs to complete the construction and less an estimate of the time value of money to the date of completion if material. The market prices bear reference to the recent selling prices. The costs to complete the construction are estimated by management.

Note 23 First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

(i) Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015:

Particulars	Foot Note	As at 31st March, 2016	As at 01st April, 2015
Equity as reported under previous GAAP		1,776,588,477	390,392
Ind AS: Adjustments increase (decrease):			
Effective interest rate on borrowings	a	7,460,373	–
Less: Interest capitalisation		(7,460,373)	–
Equity as reported under IND AS		1,776,588,477	390,392

(ii) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016:

Particulars	Foot Note	Year Ended 31st March, 2016
Profit or Loss as per previous GAAP		(13,301,915)
Ind AS: Adjustments increase (decrease):		
Add: Effective interest rate on borrowings	a	7,460,373
Less: Interest capitalisation		(7,460,373)
Profit or Loss under Ind AS		(13,301,915)
Other comprehensive income		–
Total comprehensive income under Ind ASs		(13,301,915)

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

(iii) Material adjustments to the Statement of Cash Flows

Particulars	Year ended 31st March, 2016 Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flows from operating activities	(1,067,795,468)	7,537,500	(1,060,257,968)
Net cash flows from investing activities	–	–	–
Net cash flows from financing activities	1,072,140,000	(7,537,500)	1,064,602,500
Net increase (decrease) in cash and cash equivalents	4,344,532	–	4,344,532
Cash and cash equivalents at beginning of period	500,000	–	500,000
Effects of exchange rate changes on the balance of cash held in foreign currencies	–	–	–
Cash and cash equivalents at end of period	4,844,532	–	4,844,532

Footnotes to the reconciliation of equity as at 1 April, 2015 and 31 March, 2016 and profit or loss for the year ended 31 March 2016

a) Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to qualifying assets for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to qualifying assets using the effective interest method. There is no change in equity or total comprehensive income for the year as the entire amount has been charged to qualifying assets and not to profit and loss account.

Note 24 Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt ratio as a capital management index and calculates the ratio as total debt divided by total equity. Total debt and total equity are based on the amounts stated in the separate financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31st March, 2017, 31st March, 2016 and 1st April, 2015 is as follows:

(Amounts in ₹)

	31-Mar-2017	31-Mar-2016	1-Apr-2015
Debt (A)*	**393,896,496**	307,514,183	–
Equity (B)	**1,755,689,349**	1,776,588,477	390,392
Debt Equity Ratio (A/B)	**0.22**	0.17	–

Categories of financial assets and financial liabilities

	As at 31st March, 2017 Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash equivalents	**8,913,042**	–	–	**8,913,042**
	8,913,042	–	–	**8,913,042**
Non-current Liabilities				
Borrowings	**393,896,496**	–	–	**393,896,496**
Current Liabilities				
Trade Payables	**262,305,461**	–	–	**262,305,461**
	656,201,957	–	–	**656,201,957**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31st March, 2016			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash equivalents	4,844,532	–	–	4,844,532
	4,844,532	–	–	4,844,532
Non-current Liabilities				
Borrowings	307,514,183	–	–	307,514,183
Current Liabilities				
Trade Payables	258,919,420	–	–	258,919,420
	566,433,603	–	–	566,433,603

	As at 1st April 2015			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Cash and Cash equivalents	500,000	–	–	500,000
	500,000	–	–	500,000
Non-current Liabilities				
Borrowings	–	–	–	–
Current Liabilities				
Trade Payables	109,608	–	–	109,608
	109,608	–	–	109,608

Note 25 Financial Risk Management Framework

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that are directly derived out of equity.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company.

Credit risk related to financial instruments

Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. The Company has not created any Investments of surplus funds in any other instruments as of date and hence the company is not exposed to any credit risk in this respect.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Amounts in INR)

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**	**5 years and above**
Non-derivative financial liabilities				
31-Mar-17				
Trade and other payables	262,305,461	–	–	–
Variable interest rate instruments	–	–	325,000,000	75,000,000
Total	262,305,461	–	325,000,000	75,000,000
31-Mar-16				
Trade and other payables	258,919,420	–	–	–
Variable interest rate instruments	–	–	177,187,500	137,812,500
Total	258,919,420	–	177,187,500	137,812,500
1-Apr-15				
Trade and other payables	109,608	–	–	–
Variable interest rate instruments	–	–	–	–
Total	109,608	–	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Company undertakes transactions denominated in foreign currencies only for the purchases of the components which are required to be imported for carry out the construction activities; consequently, exposures to exchange rate fluctuations arise, but the same is very nominal in nature as compared to the size of the operations if the Company.

The Company manages its foreign currency risk by forward contracts that are expected to occur within a maximum 12 month from the entering of a contract.

The Company's exposure to foreign currency changes for all other currencies is not material.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at 31st March 2017 100% of borrowings are at Variable rate. At 31 March 2016, 100% of the Company's borrowings are at a fixed rate of interest (1 April 2015: Borrowings NIL).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amounts in INR)

	Increase/ decrease in basis points	**Effect on financial statements* (Increase)/Decrease**
31-Mar-17		
INR	**+50**	**(2,000,000)**
INR	**–50**	**2,000,000**
31-Mar-16		
INR	+50	(1,575,000)
INR	–50	1,575,000

* Since the finance cost of the company is being capitalised to qualifying assets, the impact as above will be on the carrying value of inventory.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 26 Capital & other Commitments

At March 31, 2017, the company does not have any capital commitments. Other commitments INR 115 Crores towards cost of development of Industrial park.

Note 27 Segment information

For Management purposes, the Company is organised into business units based on its product and services, and hence operates in only one operating segment, i.e. 'Development of Industrial Park'. Therefore, operating segment reporting in terms of Ind AS 108 on segmental reporting is not applicable. The Company operates only in India.

Note 28 Disclosures required under Section 22 of the micro, small and medium enterprises development act, 2006

(i) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management and this has been reviewed upon by Auditors.

(ii) There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been paid.

Note 29 Disclosure of transactions in Specified bank notes (SBN's) as per Rule 11 of Companies (Audit and Auditors) Rules, 2014

The company did not do transactions involving cash during the financials and the Company was not possession of Cash including SBN's at opening of financial year. Hence, this disclosure is not applicable.

Note 30 Other Notes

i. The Company does not have any pending litigations which will impact its financial position as at 31st March, 2017

ii. The Company does not have any long-term contracts requiring provision for any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Note 31 Approval of financial statements

The financial statements were approved for issue by the board of directors on 15th April, 2017.

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 15th April, 2017

For and on behalf of the board of directors of Mahindra Industrial Park Chennai Limited

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Aman Desai
Company Secretary
(ACS: 47990)